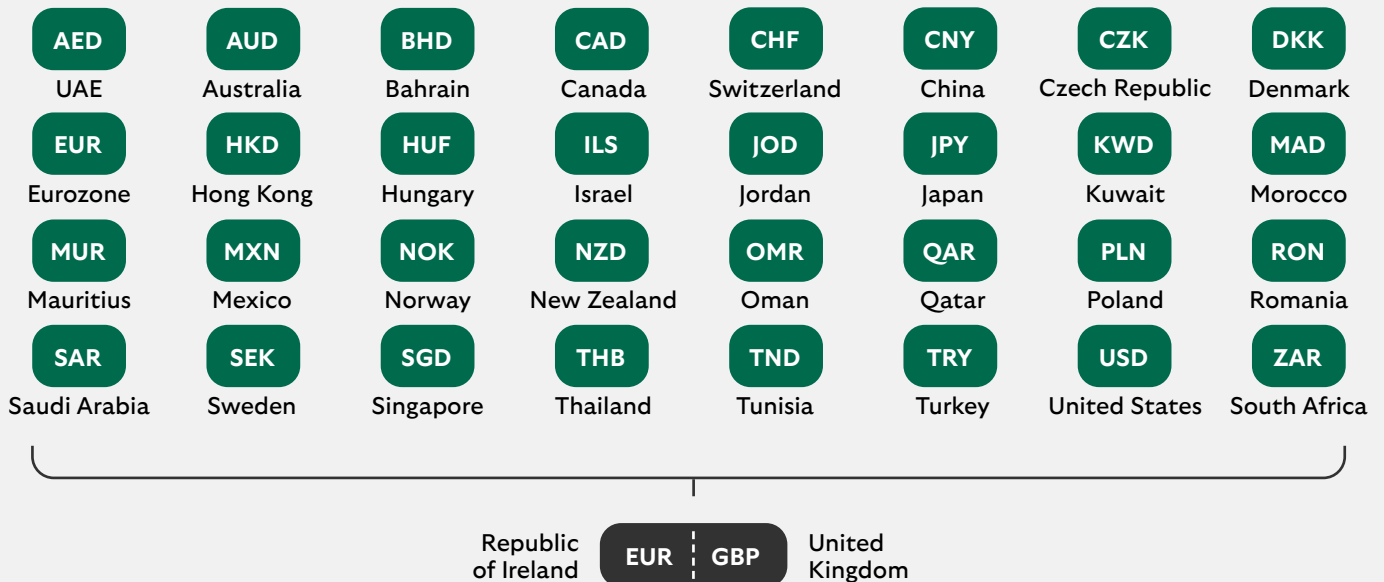


# FX Convert

FX Convert allows you to send all your transactions destined for the UK or Republic of Ireland to one provider, giving you control of FX margin and pricing as well as a consistent experience for your clients.

## FX Convert at a glance

We currently support the following currency corridors with our FX Convert service:



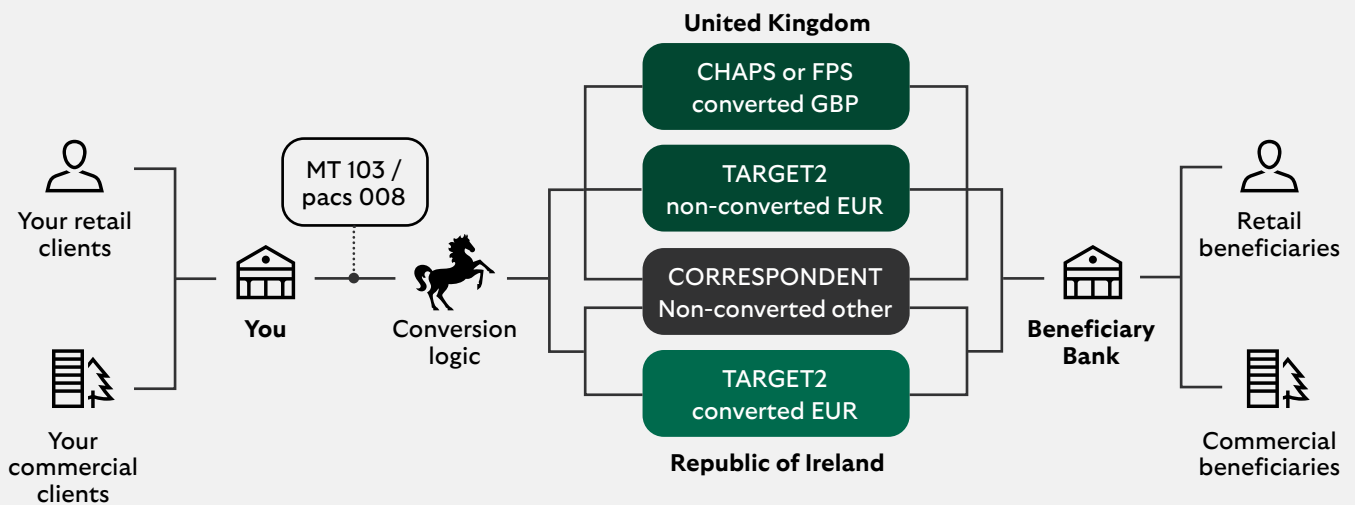
## Benefits to you

- Payments can be sent via a Lloyds Bank Nostro or Target2
- Consistent journey for your clients' transactional flow
- Externally-benchmarked FX rates
- Automated journey
- Payments can be paid onwards in the relevant currency or returned when not converted
- Opportunity for FX revenue to be shared between you and Lloyds Bank
- Our conversion logic is powered by an extensive database of UK & Republic of Ireland sort codes, underpinned by extensive market intelligence that is continually updated



# LLOYDS

## How it works



1

You send a payment instruction to Lloyds using Swift MT or MX

2

If an instruction settles to a Lloyds beneficiary, we will pay into their account in the currency of that account

3

For instructions that settle to a non-Lloyds beneficiary, we apply our advanced conversion logic to choose the appropriate channel for the payment

### United Kingdom:

- Non-converted payments will be forwarded via:
  - Target2 for EUR instructions
  - Our correspondent bank network for non-Euro instructions
- If an instruction is converted, it will be settled as GBP via CHAPS or FPS. During the onboarding process, you will identify your preference for which GBP clearing we should prioritise for your FX Convert settlements

### Republic of Ireland:

- Non-converted payments will be forwarded via our correspondent bank network for non-Euro instructions
- If an instruction is converted, it will be settled as EUR via Target2

4

Beneficiary bank then credits the client

## Payment processing

We aim to process all of your payments with 100% Straight-through Processing (STP). So providing the instructions have all the necessary information to execute the payment to the beneficiary/beneficiary's bank (and pass through sanction screening), we will make the payment. On the rare occasion an item cannot be processed we will return via MT199 for a commercial payment instruction. The response will be sent automatically and instantaneously once we receive the rejection.

As well as being able to make use of our highly automated STP capability, you have the opportunity to determine how the flow should be processed once it is converted. You can add exclusions from the service either by the remitter or beneficiary, once qualified by a unique identifier.

## Pricing

Because of our STP capability, no non-STP charges are applicable.

Pricing for transaction charges will be agreed with your Lloyds Bank relationship team. FX share to be agreed upon implementation.

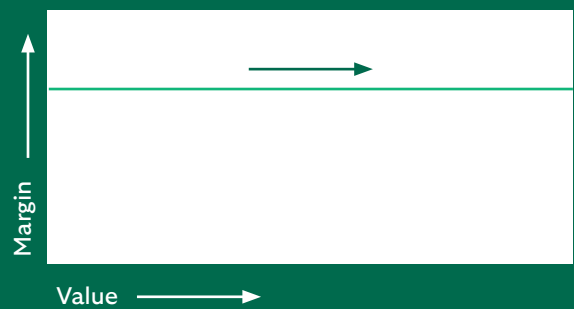
## Tailored margins

We offer three tailored FX margin structures, helping you to align the proposition to your own clients' needs.

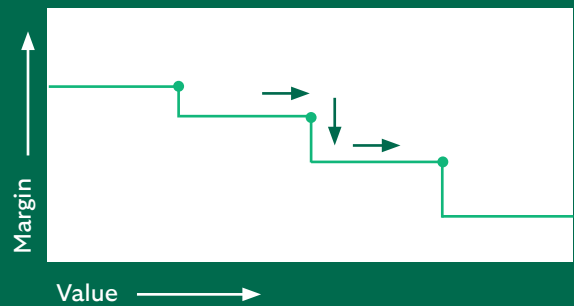
- **Fixed Margin** – a fixed margin across all payments, providing you with a single, simple outcome for all converted payments.
- **Tiered margins (Stepped)** – tiered according to value, providing lower margins for larger payments in stepped increments.
- **Tiered Margins (Smoothed)** – a more continuous or smoothed pricing curve, removing the steps between price points and genuinely rewarding those clients who send larger payments with a smaller margin, just as we do for our own customers today.

We will work with you to determine the right pricing structure based on your own needs, whether that be aligning to your own internal needs, domestic market or peer offering in the UK.

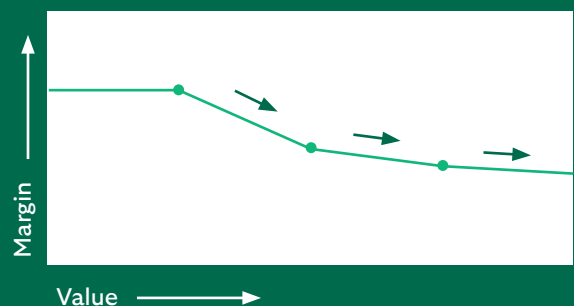
### Fixed margin



### Tiered margin (Stepped)



### Tiered margin (Smoothed)



## Cut-off times

Payment instructions received on a public holiday will be processed the next working day with the exception of the Faster Payment Service which is available on a 24/7/365 basis.

Payments received after our FX cut off of 18:00 will be processed the next business day.

Clearing times are as follows:

- CHAPS – Monday to Friday – 06:00 to 18:00
- Target2 – Monday to Friday – 06:00 to 17:00
- Faster Payments – 24/7/365 – current scheme limit £1,000,000

Upon implementation you can select your clearing preferences. Lloyds Bank will use your preferred method where possible, but has the right to use an alternative clearing method when required.

## Formatting - MyStandards

We use the Swift MyStandards portal to provide format specifications and format validation capability. We support all Swift standards and you can find our message standards guides for both MT and ISO 20022 on Swift MyStandards. Using the portal enables you to validate adherence of your payment formatting to our specifications.

Format	CHAPS	FPS	Target2
<b>MT</b>	17:25 GMT	18:00 GMT	15:50 GMT
<b>ISO 20022 – individual</b>	17:25 GMT	18:00 GMT	15:50 GMT
<b>ISO 20022 – file</b>	17:25 GMT	18:00 GMT	15:50 GMT
<b>Book transfer</b>	17:25 GMT	17:25 GMT	15:50 GMT

## Clearing house memberships

GBP	Clearing type	Payment type
<b>CHAPS</b>	Real-Time Gross Settlement (RTGS)	High-value, real-time
<b>Faster Payments Scheme (FPS)</b>	Near real-time, intra-day settlement	Low-value, immediate payments, future-dated payments
<b>Bacs</b>	Low-value Automate Clearing House (ACH)	Non-urgent, low-value debits and credits
<b>Cheques and Credit Clearing System</b>	Next-day, images of cheques and bank giro credits	Non-urgent, paper cheques and bank giro credits
EUR		
<b>Target2</b>	RTGS	High-value, real-time
<b>EBA Step2</b>	Pan-European ACH Single European Payments Area (SEPA)	Non-urgent, low-value debits and credits

## Reporting

Along with monthly settlement of funds due to you, a detailed report is provided with details of converted payments, charges, FX share, exclusion, values and transaction references.

## Lloyds Bank Gem® Service and Onboarding Team

You can raise your queries via Swift MT/MX, via email or phone.

Our cut off for same-day cancellations or cancellations sent via MTn92 and MTn95 is 06:00 same day for CHAPS payments. We can accept MTn99 messages although, due to the free format text, these cannot be given the same level of automation and treatment. Our dedicated implementation team can ensure full testing in advance of live date.

## Our expertise

Lloyds is part of Lloyds Banking Group (LBG); the UK's largest digital bank, operating a leading retail presence, branch network, and commercial financial services, with around 27 million banking relationships in the UK. We maintain established relationships with over 400 Financial Institutions (FIs) worldwide, providing payment solutions.

Lloyds is in a strong position to support you as a direct member of GBP and EUR clearing and settlement systems. We have extensive experience as a UK clearing bank and help to shape the future of clearing services by taking a leading role in numerous industry innovation initiatives.

- Member of Swift – [www.swift.com](http://www.swift.com)
- Swift Board Member
- Member of UK Finance – [www.ukfinance.org.uk](http://www.ukfinance.org.uk)
- Swift GPI – First bank globally to launch Swift GPI Instant
- Swift KYC Registry – We use and advocate the Swift KYC Registry

## Our service promise

Please let us know if you have a problem – we're here to help. See our complaints process on our 'Help & Support' page at: [lloydsbank.com/business/complaint](http://lloydsbank.com/business/complaint)



Go online:  
[lloydsbank.com/business](http://lloydsbank.com/business)



Speak to your  
Relationship Manager

## Important information

Changes in the exchange rate may increase the Sterling equivalent of your debt. All enquiries for foreign exchange accounts will be referred to a specialist manager who will provide more information about charges for these service upon request.

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

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**Please contact us if you would like this information in an alternative format such as Braille, large print or audio.**

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